

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the Fiscal Year Ended December 31, 2017

This notice has been translated from the original Japanese text of the timely disclosure statement dated February 16, 2018 and is for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, such as Unicharm Corporation's current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, economic circumstances in which Unicharm Corporation operates, competitive pressures, relevant regulations, changes in product development, and fluctuations in currency exchange rates.

**Consolidated Financial Results for the Fiscal Year Ended December 31, 2017
(January 1, 2017 through December 31, 2017); Flash Report
[IFRS]**



February 16, 2018

Listed Company Name: **Unicharm Corporation**
 Listing: **First Section, Tokyo Stock Exchange**
 Code Number: **8113**
 URL: **http://www.unicharm.co.jp/**
 Company Representative: **Takahisa Takahara, President and Chief Executive Officer**
 Contact Person: **Atsushi Iwata, Senior Executive Officer, General Manager of Accounting Control and Finance Division**
 Telephone Number: **+81-3-3451-5111**
 Planned Date of Ordinary General Meeting of Shareholders: **March 28, 2018**
 Planned Commencement Date of Dividend Payments: **March 7, 2018**
 Planned Filing Date of Securities Report: **March 29, 2018**
 Preparation of Any Additional Explanatory Documents for Full Year Financial Results: **Yes**
 Holding of Any Briefing Session for Full Year Financial Results: **Yes**
(Securities Analysts, Institutional Investors)

(Amounts are rounded to the nearest million yen)

**1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2017
(January 1, 2017 through December 31, 2017)**

(1) Consolidated financial results

(Figures in percentage represent increases or decreases from the previous fiscal year)

	Net Sales		Profit Before Tax		Profit for the Period		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended December 31, 2017	641,647	6.1	92,926	22.5	57,571	12.3	52,772	12.3	64,949	145.4
Fiscal Year Ended December 31, 2016	604,653	—	75,835	—	51,259	—	46,971	—	26,463	—

	Basic Earnings Per Share	Diluted Earnings Per Share	Return on Equity Attributable to Owners of Parent	Ratio of Profit Before Tax to Total Assets
	Yen	Yen	%	%
Fiscal Year Ended December 31, 2017	89.85	87.06	14.3	13.2
Fiscal Year Ended December 31, 2016	79.06	76.63	13.4	11.4

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the Fiscal Year Ended December 31, 2017

(Reference)

Share of profit of investments accounted for using equity method: As of December 31, 2017: ¥58 million

As of December 31, 2016: ¥22 million

(2) Consolidated financial position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent	Equity Attributable to Owners of Parent per Share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2017	736,644	453,029	387,567	52.6	652.91
As of December 31, 2016	668,592	414,387	352,098	52.7	587.61

(3) Consolidated cash flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal Year Ended December 31, 2017	98,086	(38,778)	(30,582)	169,903
Fiscal Year Ended December 31, 2016	103,604	(42,612)	(21,540)	138,043

2. Cash Dividends

	Annual Dividends					Total Amount of Cash Dividends (annual)	Dividend Payout Ratio (consolidated)	Ratio of Dividends to Equity Attributable to Owners of Parent (consolidated)
	1st Q-End	2nd Q-End	3rd Q-End	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal Year Ended December 31, 2016	–	8.00	–	8.00	16.00	9,494	20.2	2.7
Fiscal Year Ended December 31, 2017	–	9.00	–	11.00	20.00	11,715	22.3	3.2
Fiscal year ending December 31, 2018 (projection)	–	12.00	–	12.00	24.00		23.8	

3. Projected Consolidated Financial Results for the Fiscal Year Ending December 31, 2018 (January 1, 2018 through December 31, 2018)

(Figures in percentage represent increases or decreases from the corresponding period of the previous fiscal year)

	Net Sales		Core Operating Income		Profit Before Tax		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	322,000	6.6	42,000	7.9	41,500	8.0	26,000	3.2	44.39
Full Year	687,000	7.1	94,000	8.2	93,000	0.1	59,000	11.8	100.73

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the Fiscal Year Ended December 31, 2017

*** Notes**

(1) Changes in major subsidiaries during the period (or any change of specified subsidiaries accompanying a change in the scope of consolidation): None

(2) Changes in accounting policies or estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies other than item (i) above: None
- (iii) Changes in accounting estimates: None

(3) Number of issued and outstanding shares (common shares)

- (i) Number of issued and outstanding shares (including treasury shares):
 - As of December 31, 2017: 620,834,319 shares
 - As of December 31, 2016: 620,834,319 shares
- (ii) Number of treasury shares as of end of period:
 - As of December 31, 2017: 35,097,927 shares
 - As of December 31, 2016: 29,982,790 shares
- (iii) Average number of shares during the period (accumulated total):
 - Fiscal Year Ended December 31, 2017: 587,322,285 shares
 - Fiscal Year Ended December 31, 2016: 594,109,497 shares

(Reference) Summary of non-consolidated performance

**1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2017
(January 1, 2017 through December 31, 2017)**

(1) Non-consolidated financial results

(Figures in percentage represent increases or decreases from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended December 31, 2017	338,846	3.4	35,249	0.7	43,056	11.1	35,554	121.7
Fiscal Year Ended December 31, 2016	327,775	6.5	35,013	13.8	38,741	4.9	16,036	(7.4)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Fiscal Year Ended December 31, 2017	60.54	57.38
Fiscal Year Ended December 31, 2016	26.99	24.97

(2) Non-consolidated financial position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2017	411,372	249,899	60.4	424.47
As of December 31, 2016	370,713	236,137	63.6	399.07

(Reference) Equity: As of December 31, 2017: ¥248,629 million
As of December 31, 2016: ¥235,792 million

Note: Non-consolidated financial figures were prepared in accordance with accounting standards generally accepted in Japan (hereafter "JGAAP").

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the Fiscal Year Ended December 31, 2017

**2. Non-consolidated Financial Results for the Fiscal Year Ending December 31, 2018
(January 1, 2018 through December 31, 2018)**

Explanation regarding non-consolidated financial results is omitted since it is not considered to be material as investment information.

* Financial results reports are not required to be audited.

* Explanation regarding proper use of the projections of financial results and other notes

(1) The Group adopted the International Financial Reporting Standards (IFRS) beginning with the fiscal year ended in December 31, 2017.

The consolidated financial statements for the previous fiscal year are presented based on IFRS.

(2) While the core operating income disclosed by the Company is not an indicator defined in IFRS, the Company voluntarily discloses this as it is believed to be a valuable benchmark for measuring the Company's recurring business performance.

(3) Projections stated herein are based on the currently available information and the Company's assumptions that were judged to be valid as of the announcement date hereof, and are not intended to be a promise by the Company to achieve these projections. Therefore, actual results may differ for various factors.